

STATE OF ILLINOIS



ILLINOIS COMMERCE COMMISSION

TO: Interested Parties

FROM: Charles C. S. Iannello – Senior Economist, Policy Program, EDIV

DATE: October 25, 2004

SUBJECT: Notice of Third Revised Draft Distributed Resource Interconnection Rule circulated to interested parties for comment

Staff of the Illinois Commerce Commission ("Staff") is circulating a third revised draft rule entitled Interconnection of Distributed Resources to Electric Utility Distribution Systems ("Draft"). Staff is also distributing a redline version of the Draft, a flow chart that traces the interconnection process in the Draft, and a list of specific questions below. Copies of these files will be posted on the Illinois Commerce Commission's web site at <http://www.icc.state.il.us/ec/library.aspx?key=ecDGI>.

Staff is soliciting comments on any and all aspects of the Draft and any other issues related to distributed resource interconnection in Illinois. Any party is welcome to provide comments, so feel free to forward this notice and related documents to any interested party.

In preparing comments, we ask that you submit your comments in Microsoft Word format and **comment directly in the documents** using the "track changes" feature commonly referred to as strikeout/underscore or legislative style. If you are recommending specific changes to the language in the Draft, then revise the draft and provide an explanation immediately following the revised subsection. If you have no recommended revision but would like to comment on a particular subsection we ask that you also comment in the Draft immediately following the subsection of interest. If you have general comments not associated with any particular subsection, you may include those comments in a separate document. Remember that the process is still informal at this point, and we expect at least one more revision of the Draft before attaching it to a formal Staff Report recommending that the Commission initiate a rulemaking.

We are currently considering additional revisions to the draft applications and agreement, referred to as Appendices A, B and C, based on changes to the Draft and previous comments. We will provide notice as to whether we are seeking additional comments on these documents in the near future.

In addition to requesting comments on the Draft, we also invite you to answer the following questions regarding the Draft:

1. Is it logical to separate the analyses into a Facilities Study and Feasibility/Impact Study, as has been done in the current draft, or are the analyses required to complete the studies normally performed as part of a single, all-encompassing study? Is it possible that combining the studies would be less costly than keeping the studies separate or vice versa?

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2. The draft rule essentially fast tracks proposed interconnections that pass the Primary and/or Secondary Screening Criteria. If a unit fails the Primary and Secondary Screening Criteria, then the interconnection provider has much greater discretion over, the need for, and scope of, additional studies and, ultimately, approval of the interconnection application. What can be done to better define the decision criteria that interconnection providers employ when evaluating proposed interconnections that fail both screens? What can be done to add more certainty to the process, so the interconnection customer does not face a "black box" of potential costs and extended timeframes?
3. If you are advocating an interconnection queue, explain why a queue is necessary. Also, provide specific language that would govern the order of the queue. Be sure that your proposed queue language accounts for the possibility of one interconnection customer applying before another but being held up longer due to study requirements.
4. Describe proposed interconnections, either hypothetical or actual, that involve a potential violation on an affected system (i.e. a system not owned or operated by interconnection provider) and describe how the coordination of studies addressing the impact of the proposed interconnection on affected systems.
5. What is the universe of "affected systems" (e.g. municipal systems, transmission systems governed by RTO or ISO, non-affiliated distribution systems)? Briefly describe how you envision coordination between the interconnection provider and each type of affected system identified. Provide examples of coordination between the interconnection provider and "affected systems" when distributed resources that are currently installed were proposed and studied for interconnection.
6. Provide any other comments that are not related to specific sections of the Draft.

Please e-mail your comments to <mailto:ciannell@icc.state.il.us> by **December 1, 2004**. Feel free to contact me if you have any questions or need additional information. Staff looks forward to your comments. Thank you for your consideration on this important issue.

Sincerely,

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